

Message Text

LIMITED OFFICIAL USE

PAGE 01 COPENH 00487 210940Z

11

ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CEA-01 CIAE-00 COME-00 EB-07

FRB-03 INR-07 NSAE-00 CIEP-01 SP-02 STR-01 TRSE-00

LAB-04 SIL-01 SAM-01 OMB-01 AGR-05 L-02 /054 W

----- 125676

R 201637Z FEB 75

FM AMEMBASSY COPENHAGEN

TO SECSTATE WASHDC 0470

INFO USMISSION EC BRUSSELS

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY DUBLIN

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY THE HAGUE

AMEMBASSY LUXEMBOURG

LIMITED OFFICIAL USE COPENHAGEN 0487

PASS AGRICULTURE

E.O. 11652: N/A

TAGS: EAGR, EEC, DA

SUBJECT: EC COUNCILS OF AGRICULTURAL MINISTERS'

MEETING FEB 10-13 1975

REF: EC BRUSSELS 1275

1. SUMMARY: DANISH ACCEPTANCE OF THE 1975/76 AGRICULTURAL
SUPPORT PRICE AGREEMENT REACHED IN BRUSSELS FEBRUARY 10-13
WAS CARRIED YESTERDAY BY TWO-THIRD MAJORITY IN THE PARLIA-
MENT'S MARKET COMMITTEE. THE REMAINDER WERE IN FAVOR OF
A DANISH VETO. END SUMMARY.

2. THE DANISH PARLIAMENT'S MARKET COMMITTEE YESTERDAY
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 COPENH 00487 210940Z

ACCEPTED THE AAGREEMENT REACHED ON THE 1975/76 PRICE SUPPORT

PACKAGE AT LAST WEEK'S MEETING OF THE EC COUNCIL OF AGRICULTURAL MINISTERS, AND THUS REMOVED DENMARK'S "HOLD" POSITION ON THE AGREEMENT. ALTHOUGH THE WITHHOLDING OF DANISH ACCEPTANCE AT THE MEETING OCCURRED AT THE TIME OF A GOVERNMENT CHANGE IN DENMARK, IT WAS MORE DUE TO SERIOUS CONCERN IN DENMARK WITH CERTAIN FEATURES OF THE AGREEMENT. IN THE INTEREST OF KEEPING THE BRITISH IN THE COMMUNITY, THE DANES WERE WILLING TO PAY A PRICE TO SATISFY BRITISH DEMANDS BUT THEY FELT THAT THE FRENCH AND ITALIANS UNFAIRLY USED THE OCCASION TO PUSH THEIR OWN SELF-INTERESTS. THE MARKET COMMITTEE'S DECISION YESTERDAY NOT TO VETO THE AGREEMENT, A POSSIBILITY WHICH HAS BEEN AIRED SERIOUSLY BY POLITICIANS, FARM OFFICIALS AND THE PRESS, WAS BASED LARGELY ON DENMARK'S DESIRE TO TAKE NO ACTION WHICH MIGHT JEOPARDIZE THE SUCCESS OF UK RENEGOTIATION AND ON ASSESSED GREATER MONETARY GAINS FOR DENMARK IN THE PACKAGE THAN EARLIER ESTIMATED. THE NEW SOCIAL-DEMOCRAT GOVERNMENT HAS EXPRESSED CONCERN SIMILAR TO WHAT WAS FELT BY THE FORMER GOVERNMENT ON SPECIFIC FEATURES OF THE AGREEMENT, AND IT IS EXPECTED THAT THESE AREAS OF DISCONTENT WILL BE REPEATED TO BRUSSELS ALONG WITH FORMAL DANISH ACCEPTANCE OF THE AGREEMENT.

3. DENMARK'S MAJOR CONCERN, WHICH HAS BEEN BUILDING UP OVER THE PAST YEAR, CENTERS AROUND THE EXPANSION OF NATIONAL SUBSIDIES TO LIVESTOCK PRODUCERS, WHICH DISTORT COMPETITION IN THIS VITAL SECTOR FOR DENMARK. ALONG WITH THIS CONCERN, THE DANES ALSO FIND THEMSELVES SANCTIFYING THE BASIC PRINCIPLES OF THE CAP. DIRECT NATIONAL SUBSIDIES TO DANISH PRODUCERS, EVEN WHERE AUTHORIZED BY THE EC, ARE NOT BEING PAID AND THERE SEEMS LITTLE POSSIBILITY THAT THE DANISH GOVERNMENT WILL AGREE TO THEIR REINTRODUCTION IN VIEW OF THE LARGE CURRENT BUDGET DEFICIT AND PARTICULARLY BEARING IN MIND THE SENSITIVENESS OF THE ISSUE IN RELATION TO ANTI-MARKETEERS (DISCONTINUATION OF STATE SUBSIDIES TO AGRICULTURE WAS USED AS A MAJOR ARGUMENT FOR EC MEMBERSHIP) ANOTHER FEATURE OF THE BRUSSELS PACKAGE CONSIDERED DETRIMENTAL TO THE DANISH LIVESTOCK SECTOR WAS THE IMBALANCE BETWEEN THE 9.4 PERCENT INCREASE FOR BARLEY AND 8.5 PERCENT FOR PORK. CONCERN IS FELT THAT FARMERS WILL BE FURTHER ENCOURAGED TO EXPAND GRAIN PRODUCTION AT THE EXPENSE OF PIGMEAT, WHICH MOST BELIEVE IS TO THE DETRIMENT OF LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 COPENH 00487 210940Z

DENMARK'S LONGER-TERM INTEREST. DENMARK WOULD ALSO HAVE PREFERRED A MORE "BALANCED" ADJUSTMENT OF THE GREEN RATES.

4. ON THE PLUS SIDE, THE AGREEMENT IS ESTIMATED TO BRING INCREASED EXPORT EARNINGS OF UP TO 500 MILLION KRONER (\$90 MILLION) AND TO IMPROVE AGRICULTURE'S PRODUCTION VALUE BY 525-670 MILLION KRONER (\$95-120 MILLION) ANNUALLY. THE EFFECT ON CONSUMER FOOD PRICES UP TO OCTOBER 1976 WILL

BE AN INCREASE IN THE RANGE OF 1.5 TO 2.0 PERCENT ACCORDING TO THE GOVERNMENT'S LATEST CALCULATIONS.

5. THE NEW MINISTER OF AGRICULTURE'S COMMENTS TO TO THE PRESS AFTER YESTERDAY'S DECISION INCLUDED A COUPLE OF INTERESTING FEATURES. HE STATED THAT THE EC COMMISSION WILL TAKE NECESSARY MEASURES TO ASSURE THE COMPETITIVE POSITION OF DANISH BEEF PRODUCERS AND THAT THE DANES HAD GIVEN ASSURANCE THAT EC EXPORT POLICIES WILL BE SUCH THAT DANISH CANNED MEAT EXPORTS CAN BE MAINTAINED. HE ALSO STATED DENMARK HAS REQUESTED THAT MEASURES TO PREVENT DISTORTION OF COMPLETION IN BEEF FOR DANISH PRODUCERS BE PLACED ON THE AGENDA FOR THE MARCH 4 MEETING OF THE AG MINISTERS. ON TV AND RADIO HE EMPHASIZED THAT THE SPECIAL NATIONAL MEASURES IN THE FEEB SECTOR WERE LIMITED TO ONE YEAR'S DURATION AND THAT DENMARK HAD BEEN ASSURED DURING THE COUNCIL MEETING THAT THESE MEASURES WOULD NOT BE EXTENDED BEYOND THAT DATE.

6. COMMENT: THE AGRICULTURAL SECTOR IS PROFOUNDLY CONCERNED ABOUT THE DISADVANTAGES THEY SEE RESULTING FROM THE DANISH MEAT INDUSTRIES FROM THE COUNCIL'S AGREEMENT AND INDEED THE FOREIGN MINISTRY HAS STATED THAT THE COMPROMISE HAS ONLY BEEN ACCEPTED WITH CONSIDERABLE DOUBT. MINISTRY OF AGRICULTURE SOURCES DO NOT PLACE MUCH VALUE ON THE EC COMMISSION'S ASSURANCE (PARA 5) TO DANISH BEEF PRODUCERS AND CANNED HAM EXPORTERS, IMPLYING THAT THESE WERE PROVIDED IN THE VERY LOOSEST TERMS. FARM ORGANIZATIONS HAVE AGAIN SURFACED DEMANDS FOR DIRECT FARM AID BUT IT IS MORE LIKELY THAT SUCH SUPPORT IF GRANTED WILL BE IN THE FORM OF TAX RELIEF MEASURES AND NOT YHROUGH FOR EXAMPLE NATIONALLY GRANTED PREMIUMS TO THE CATTLE SECTOR. IT MAY WELL BE THAT SOME SUCH TACIT UNDERSTANDING ON TAX RELIEF FOR FARMERS MADE ACCEPTANCE OF THE SUPPORT PRICE AGREEMENT BY THE LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 COPENH 00487 210940Z

PARLIAMENTS MARKET COMMITTEE POSSIBLE.
CROWE

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AGRICULTURAL PRICE SUPPORTS, AGRICULTURAL AGREEMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 20 FEB 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975COPENH00487
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750062-0295
From: COPENHAGEN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750229/aaaaazin.tel
Line Count: 156
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 EC BRUSSELS 1275
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 16 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <16 APR 2003 by KelleyW0>; APPROVED <17 APR 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EC COUNCILS OF AGRICULTURAL MINISTERS' MEETING FEB 10-13 1975
TAGS: EAGR, DA, EEC
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006